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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 01/24/08

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Articles:

#### 1) TOP HEADLINES

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Asahi:

Debate kicks off in Diet on gasoline tax rate

Mainichi:

Government eyes system to pay 20 million yen in compensation to cerebral palsy babies even without proof of obstetrician negligence

Yomiuri:

Government to study shooting down hijacked planes heading toward Lake Toya Summit in July

Nikkei:

Government to boost trade insurance for resource development to one trillion yen

Sankei:

Prime minister plans to hold party head talks to select new BOJ governor

Tokyo Shimbun:

Questions about road construction: Unprofitable roads opened

Akahata:

JCP Secretary General Ichida in question-and-answer session calls for change in politics to protect human lives

#### 2) EDITORIALS

Asahi:

- (1) Uncertainty looming large over U.S. economy.
- (2) Japan should review strategy on aid and countering global warming to support the future of developing countries.

Mainichi:

- (1) Reallocating road tax revenues for general expenditures is rational
- (2) Additional notices on pension records amaze us

Yomiuri:

- (1) Don't allow people's lives to be disturbed by tax reform bill
- (2) Spring wage offensive: Produce results that will lead to

revitalizing Japanese economy

Nikkei:

- (1) Prime minister should speak on strategy to stabilize market and grow economy
- (2) Proceed with wage-hike negotiations from long-term viewpoint

Sankei:

- (1) U.S. urged to study pouring public funds into tumbling stock market
- (2) Detailed explanation needed on social security card system

Tokyo Shimbun:

- (1) Special notices on pension records: Social Insurance Agency should deal with issue from people's standpoint
- (2) Spring wage-hike negotiations: Correct income disparity by hiking wages

Akahata:

- (1) Switch focus of economic policy from major companies to households and people.

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, Jan. 23

NIKKEI (Page 2) (Full)  
January 24, 2008

07:53

Met with Deputy Chief Cabinet Secretary Iwaki at Kantei.

09:01

Attended a special cabinet meeting.

10:01

Attended an Upper House plenary session.

12:01

Arrived at Kantei.

13:01

Attended an Upper House plenary session.

15:40

Met with Cabinet Office International Peace Cooperation Headquarters Secretariat Chief Ozawa at Kantei.

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16:01

Met with Ambassador to Bahrain Kondo and other ambassadors who attended a meeting of ambassadors assigned to African nations. Afterwards, met with Japan Center for International Finance Advisor Hiroshi Watanabe.

17:13

Met with Deputy Foreign Minister Kono, MOFA Economic Affairs Bureau Director-General Otabe, Environment Ministry Global Environment Bureau Director-General Minamikawa and others, joined by Chief Cabinet Secretary Machimura.

18:04

Interview with BBC. Afterwards, met with Deputy Chief Cabinet Secretary Futahashi, joined by Machimura.

SIPDIS

19:33

Arrived at residential quarters in Kantei.

4) The power of Japanese culture

YOMIURI (Page 4) (Full)

January 24, 2008

A "Japan: Culture and Hyperculture" reception was held by Foreign Minister Masahiko Koumura last night at the Foreign Ministry's Iikura Guesthouse in Tokyo's Azabudai district.

"Japan!" is an event that will take place in Washington for two weeks from Feb. 4. The event is designed to introduce Japanese culture, from traditional arts, such as the Kyogen play and Japanese drums, to modern subcultures, such as anime and robots, through over 40 programs. From Japan, over 450 artists will take part in the event.

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The reception was attended by fashion designer Junko Koshino, U.S. Ambassador to Japan Thomas Schieffer, and former Foreign Minister Taro Aso, who is known for his love of comic books. Foreign Minister Koumura made a speech in which he said: "I am certain that the event will serve as a driving force for Japan-U.S. cultural exchanges." In response, Ambassador Schieffer said: "Cultural exchanges are imperative for fostering friendship between the Japanese and American peoples."

The foreign minister afterwards attended a photo shoot with the Ambassador, holding a seal-shaped "healing robot" in his arms. Will the power of culture be able to strengthen Japan-U.S. relations further?

5) GOJ considering shooting down hijacked airplanes

YOMIURI (Top play) (Full)  
January 24, 2008

The government is now studying countermeasures to deal with terrorist attacks in anticipation of a situation where a commercial aircraft is hijacked and flown toward the venue of the Group of Eight (G-8) summit meeting scheduled to be held at Toyako (Lake Toya) in Hokkaido on July 7-9. These countermeasures include shooting down the aircraft, Defense Ministry sources said yesterday. After the Sept. 11, 2001, terrorist attacks on the United States, previous G-8 host countries, such as Britain and Germany, took highest-level counterterrorism measures, including deploying fighter planes and antiaircraft missile batteries around the summit venues. Japan will also take all possible measures.

In order to prevent airborne terrorism targeting the Toyako summit, government ministries and agencies-including the Land, Infrastructure and Transport Ministry, the Defense Ministry, and the National Police Agency-have decided to set up a no-fly zone around the summit venue, put sky marshals on commercial flights, and tighten baggage checks at airports. However, the government has yet to decide on how to deal with major terrorist attacks that target vital facilities like the 9/11 attacks.

In the 9/11 terrorist attacks, American Airlines Flight 77 was flown into the Pentagon. With this event as an example, the Defense Ministry and the Self-Defense Forces have been making case studies since last fall. Specifically, the Air Self-Defense Force-if and when a commercial plane is hijacked-will scramble F-15s from its Chitose base in Hokkaido and repeatedly warn the hijacked plane to land at a nearby airport. If the plane does not obey and reaches a point one minute from the summit venue, then the government could order the ASDF to shoot it down.

However, if a commercial airplane is hijacked after its takeoff from a domestic airport, it could reach the summit venue in only 30 minutes. Accordingly, the government has concluded that it has to determine procedures in advance for the SDF to take actions in that event, or it will be extremely difficult to prevent such airborne terrorism.

In order to avoid such a situation, the government needs to work out an emergency action plan in advance and adopt it in a cabinet meeting. In this plan, the government would regard a major terrorist attack using a hijacked plane as a noncontingency emergency under

the Armed Attack Contingency Security Law. In this case, the SDF

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will be mobilized for public security operations. Furthermore, the plan will have to get Diet approval within 20 days. "We're studying what we can do under the current law if and when the government judged it would be unavoidable to shoot down a hijacked plane," a senior official of the Defense Ministry said.

6)Commentary: Japan must work out antiterror plan as G-8 host

YOMIURI (Page3 2) (Abridged)  
January 24, 2008

In November 2001, shortly after the Sept. 11, 2001, terrorist attacks on the United States, the government adopted a course of action in a cabinet meeting against potential major terrorist attacks like hijacking a commercial plane and flying it into a targeted building. In this cabinet-endorsed course of action, the government says it will take strong countermeasures as needed to ensure public security. This was incorporated in the Armed Attack Contingency Security Law of 2003.

The law is intended to deal with armed suspicious ships' incursions, large-scale terrorist attacks, and other events. Under this law, the government will prepare to work out a counteraction plan and step up its interdepartmental cooperation involving the National Police Agency, the Japan Coast Guard, and the Self-Defense Forces. The law requires the government to work out a counteraction plan in advance if it recognizes a state of emergency.

This July's G-8 summit in Hokkaido is expected to focus on global warming. Even so, the G-8 leaders used to discuss antiterror measures in their past summit meetings, and the G-8 summits were targeted by terrorists. When Britain hosted the G-8 summit three years ago, there were terrorist attacks in London. The country hosting the G-8 summit must determine a course of action in advance to deter various conceivable terrorist attacks.

7) Prime Minister Fukuda to emphasize Africa in speech at Davos

TOKYO SHIMBUN (Page 3) (Full)  
January 24, 2008

Prime Minister Yasuo Fukuda yesterday firmed up the outline of a speech he will deliver at the World Economic Forum, now in session, in Davos, Switzerland. In it, Fukuda will emphasize the importance of measures to counter climate change, as well as the need for international cooperation to deal with the global slide in stock prices. The speech's third major theme is development assistance for African nations. Fukuda in the speech wishes to show a global audience that Japan is tackling this problem.

Reacting to the worldwide fall in stock prices, Fukuda modified the initial draft of the speech regarding economic conditions in order to emphasize that the Japanese economy is "in very good shape and continues to be on an expansion track." The prime minister is expected to mention the importance of international cooperation on monetary policy. On development assistance for Africa, Fukuda will refer to the upcoming Tokyo International Conference on Africa's Development (TICAD), which Japan, along with the United Nations, will co-host in Tokyo in May, and stress giving priority to Africa's development needs.

In the measures he will list to counter climate change, Fukuda will

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call for "peak-out targets," from which greenhouse gas emissions will decline. The prime minister will leave Japan tomorrow afternoon for Davos and will deliver the speech on Jan. 26.

8) Prime Minister Fukuda to propose at Davos meeting setting targets for peak greenhouse gas emissions in 10-15 years, after which emissions will decline

It was learned yesterday that Prime Minister Yasuo Fukuda in a speech he will deliver at the World Economic Forum (so-called Davos meeting) will suggest setting "peak targets" for greenhouse gas emissions 10-15 years from now. Fukuda has decided not to propose setting mid-term numerical targets to be included in a post-Kyoto Protocol framework, although he initially planned to propose such targets.

The United Nations Climate Change Conference in Bali (COP13) discussed including targets for peak emissions in the Bali Roadmap, which charts the course after the expiration of the Kyoto Protocol, but after much heated discussion, the conference decided not to adopt such targets.

The International Panel on Climate Change (IPCC) analyzed in its fourth assessment report that whatever measures may be taken, a rise in temperature will be unavoidable. As a measure to hold down a temperature rise to two degrees C, the IPCC's report points out the necessity of bringing greenhouse gas emissions to their peak in a 10-15 timeframe and halving them by 2050 from 2000 levels.

In part because Japan is the host country of the Group of Eight (G8) Hokkaido Toyako Summit in July, Fukuda, by emphasizing the importance of setting targets for peak emissions, which were not included in the Bali Roadmap, apparently intends to demonstrate his leadership to an international audience.

However, Fukuda decided not to declare Japan's own emission reduction targets despite international environmental groups' calls on Japan to do so. This attitude is likely to cast doubts on the host nation's persuasiveness.

9) Japan to train PKO members as part of emergency assistance to Africa but not using ODA funds

SANKEI (Page 3) (Excerpts)  
January 24, 2008

The government revealed yesterday the contents of its emergency assistance for Africa that it is considering implementing from funds in the fiscal 2008 supplementary budget. It will provide funding for a PKO training facility in Africa, but the money will not come from the official development assistance (ODA) program. In addition to assisting Africa nurture trained peacekeepers, the government will provide humanitarian aid in the form of food supplies for refugees fleeing disputes, as well as for the victims of droughts and floods. In particular, the funding provided for PKO training would be the first such aid that bypassed the conventional ODA framework, since ODA projects linked to military organizations are prohibited. Japan has thus decided to take a new step in the direction of building international peace.

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The package of emergency assistance to Africa totals \$264.5 million (approximately 29.1 billion yen). Aid for the PKO training facility comes to \$17 million (approximately 1.9 billion yen). In addition, there is a total of \$64.5 million (approximately 7.1 billion yen) in refugee aid allocated for such disputed areas as Darfur and southern Sudan; \$45.66 million (approximately 5 billion yen) for Somalia, and \$43.8 million (approximately 4.8 billion yen) for the Congo. The refugee aid will be provided through international organizations, and likely to be in the form of food and water supplies, as well as health care.

10) MSDF destroyer to set sail today for refueling mission

TOKYO SHIMBUN (Page 2) (Full)  
January 24, 2008

The Murasame, a 4,550-ton destroyer of the Maritime Self-Defense Force, will set sail this morning from the MSDF's Yokosuka base in

Kanagawa Prefecture to resume refueling activities in the Indian Ocean under a newly enacted antiterrorism special measures law. Defense Minister Shigeru Ishiba and Chief Cabinet Secretary Nobutaka Machimura will attend a ceremony at the base to send the MSDF ship off.

Prime Minister Yasuo Fukuda will not attend the ceremony. "I have a lot of things to do, so I cannot be there," Fukuda told reporters yesterday evening. The Murasame is one of the two MSDF ships to be sent to the Indian Ocean. The other vessel is the Oumi, a 13,500-ton supply ship. The Oumi will set sail tomorrow morning from the MSDF's Sasebo base in Nagasaki Prefecture. The two vessels will arrive in the Indian Ocean in mid-February to resume the MSDF's refueling mission that has been discontinued since the old antiterror law's expiry in November last year.

11) Coordination underway on visit by Ozawa to South Korea next month

MAINICHI (Page 2) (Full)  
January 24, 2008

Ichiro Ozawa, president of the main opposition Democratic Party of Japan (DPJ or Minshuto), yesterday began looking into a plan to visit South Korea in late February immediately before the presidential inauguration on Feb. 25 of President-elect Lee Myung Bak. If realized, Ozawa may meet with Lee before Prime Minister Yasuo Fukuda holds talks with him.

Ozawa has clarified his support for local suffrage for permanent foreign residents. If a meeting with Lee is realized, Ozawa will take up this issue in a bid to point up the difference between his party and the government-ruling coalition. He met last December with Chinese President Hu Jintao ahead of Fukuda.

12) Nikkei index rebounds, closes, up 256 yen

NIKKEI (Page 1) (Full)  
January 24, 2008

The Tokyo Stock Exchange (TSE) started with almost across-the-board rise in share prices and the Nikkei Average rebounded after a three-day hiatus. The market reacted favorably to the U.S. Federal

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Reserve Board's surprise rate cut and eased concerns for the time being about a worldwide financial crisis. Prime stocks, such as electric power, automobile, and bank, were bought back widely. During the trading hours, however, share prices notably fluctuated widely in reaction to Asian stocks and exchange rates, keeping investors alert to the future. The Nikkei Average closed at 12,829.06, up 256.01 (2.04 PERCENT up) from the previous day.

13) Prime Minister Fukuda: If stock prices continue to fall, international cooperation will be needed; Japan still concerned about chain reaction of stock market drops

NIKKEI (Page 3) (Full)  
January 24, 2008

In response to an interview by British Broadcasting Corporation (BBC) at his office, Prime Minister Yasuo Fukuda said yesterday:

"If the worldwide fall in stock prices is prolonged, it will inevitably have an impact on actual economy. There are no special measures that we should take now, but should the trend moves the wrong way, cooperation among (various countries) will be necessary to deal with the matter."

He also pointed out: "Financial institutions should be pressed to post their new losses."

An increase in the percentage of delinquency in U.S. consumer loans is another source of concern. Citigroup declared that 5.4 billion dollars of consumer loans for the October-December period last year were uncollectible. Nomura Securities Chief Strategist Seiichiro

Iwasawa made this comment: "Given the negative impact on the U.S. actual economy, it will take some time to dispel anxieties."

14) Upper House President Eda criticized for meeting with U.S. Rep. Honda

SANKEI (Page 5) (Full)  
January 24, 2008

Hideo Watanabe, a House of Councillors member of the Democratic Party of Japan (DPJ or Minshuto), criticized Upper House President Satsuki Eda in a general meeting yesterday of the DPJ Upper House members for meeting on Jan. 8 with U.S. Rep. Mike Honda, who took the lead in adopting a resolution criticizing Japan over the wartime "comfort women" issue. Watanabe said: "It might be different if he were an ordinary congressman, but he is a legislator who has challenged our Diet. I cannot accept the thoughtless meeting."

15) Some DPJ members likely to support supplementary budget bill

MAINICHI (Page 5) (Full)  
January 24, 2008

The Democratic Party of Japan (DPJ) is having difficulty dealing with bills related to the fiscal 2007 supplementary budget bill, including one amending the Local Allocation Tax Law. That is because failure to enact related bills before the end of the current fiscal year is bound to affect the finances of local governments. Furthermore, if they are voted down in the Upper House, the government would adopt the set of bills in a second vote in the Lower House, following the new antiterror legislation, making this

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practice a custom. Some DPJ members have begun to look into the possibility of approving those bills in order to concentrate on a battle over the fiscal 2008 budget bill, to which the party is giving priority.

The bill amending the Local Allocation Tax is intended to approve 30 billion yen in local tax grants, which the government distributed more than the due amount, because of a mistake in estimating tax revenues for fiscal 2007. Kazuhiro Haraguchi, internal affairs minister of the DPJ's "Next Cabinet," criticized the government, saying, "I will harshly pursue the government for essentially window-dressing accounts."

However, if the bill fails to secure Diet approval before the end of the current fiscal year, local governments would be asked to return the grants. If the DPJ allows things to get to this point, it could come under fire as slighting local administration, especially at a time when local governments are negatively reacting to the idea of abolishing provisional tax rates.

The ruling camp will most likely adopt the bill in a second vote in the Lower House, backed by support from heads of local governments. As such, the DPJ finds it difficult to submit a censure motion against the prime minister, even if the bill is approved again in the Lower House.

16) Government, ruling camp plan Lower House passage of tax-related bills in mid-February; Possibility of three-month's extension of provisional tax rate

YOMIURI (Page 2) (Excerpt)  
January 24, 2008

The government yesterday presented to the House of Representatives a package of tax-system-related bills, including the special measures tax bill that would maintain the provisional tax rate on gasoline. The plan is to have the Lower House pass the bills around mid-February and have the Diet pass the package before the deadline in late March when the original measures will expire. However, within the ruling parties, there is concern that if the Democratic Party of Japan (DPJ) drags out deliberations on the bills in the House of Councillors, the provisional tax rate will expire, causing great confusion. As a result, the idea has been floated of



submitting a lawmaker-sponsored bill that would extend the provisional tax for three months beyond the deadline and have the Lower House pass this bill this month.

17) Government, ruling parties pressuring opposition bloc, arguing that enacting budget bill in current fiscal year is best way to boost stock prices

NIKKEI (Page 2) (Full)  
January 24, 2008

There is growing momentum in the government and ruling parties to apply pressure on the opposition camp by using the global stock plunges as an excuse for enacting the fiscal 2008 budget bill and related bills within the current fiscal year. The opposition bloc is reacting strongly, contending that they are shifting the blame onto the global stock plunge.

In yesterday's Upper House plenary session, Prime Minister Yasuo

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Fukuda said: "Ensuring an early enactment of the fiscal 2008 budget bill and related bills is the best step." This was preceded by DPJ member Masako Okawara's critical comment that described a plunge in stock prices as "Fukuda selling." An agreement was also reached at the ruling bloc's executive meeting yesterday that the enactment of the budget bill and related bills before March 31 was the best way to boost stock prices.

Meanwhile, Upper House DPJ Diet Affairs Committee Chairman Susumu Yanase categorically said: "People are selling stocks from disappointment in the Fukuda administration, which lacks any effective economic measures."

18) LDP, DPJ kick off battle in Diet on gasoline tax rate to win public support

ASAHI (Top Play) (Excerpts)  
January 24, 2008

The government submitted a tax reform bill that includes a measure to extend the current provisional high gasoline tax rate to the House of Representatives yesterday. Following this, maneuvering started in the "gasoline price-cutting Diet," as dubbed by the Democratic Party of Japan (DPJ).

Yesterday, 450 members of 44 prefectural assemblies, including 19 representatives from the DPJ, gathered at the Constitution Memorial Hall near the Diet building for a rally calling for maintaining the provisional road-related tax rates. Local members of the Liberal Democratic Party arranged the rally with the aim of making an appeal to the public the importance of keeping the provisional tax rates and forming a coalition against the DPJ.

Attention there was focused on House of Councillors members of the DPJ, who sat next to senior ruling party members. The DPJ members who openly defied their party's policy are Yasuhiro Oe, Hideo Watanabe, and Yasuo Yamashita. Oe stated: "If our party cannot sense the atmosphere and enthusiasm in this rally, the party may have lost its senses. For those of us who live in rural areas, roads are part of our lives." This remark came out in response to LDP Secretary General Bunmei Ibuki's remark that "I don't want to believe that the party will be swayed only by party interests, taken advantage of stupid populism. I would like to listen to a sensible policy from the DPJ."

In debates on the new antiterrorism bill, future options for Japan's international contribution took center stage. But the major point of contention in dispute on the tax reform bill is whether priority should be given to "gasoline price" or "roads," an issue closely linked to people's lives. Given this, public opinion will greatly affect the result of the battle. The ruling camp intends to spotlight local voices calling for road constructions, while the DPJ underscore that it is a party opposing the ruling camp's policy. One Lower House member of the LDP who attended the rally confidentially said: "This gathering was effective. I believe it will affect the

DPJ."

The Ministry of Internal Affairs and Communications (MIAC) produced a list of local governments' estimated decreased amounts of revenues unless the provisional high tax rates are maintained. Based on this list, the ruling camp intends to persuade local government heads and assembly members to support its policy. Osaka Mayor Kunio Hiramatsu,

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who was just elected with the recommendation of the DPJ, said in a press conference yesterday: "If the current tax rates are discontinued, a huge amount of money will disappear from the municipal government's coffers. In such a case, it will become impossible to continue the budget-compilation work."

Meanwhile, the DPJ criticized in its general affairs section's meeting yesterday a remark made in a press conference by MIAC Administrative Vice Minister Takino raising a question about the DPJ's plan to secure fiscal resources to cover shortfalls expected from tax cuts. The main opposition party called the lawmaker who made the remark a "demagogue out to spoil the DPJ plan." In its Diet Affairs Committee meeting, a senior party member made this request: "The rally today was a gathering 'disguised' by the ruling camp and the bureaucrats. Fake gatherings calling for maintaining the high road-related tax rates will be held across the nation. At the same time, our party also should hold gatherings or deliver street-corner speeches."

19) Diet interpellations: Confrontation over provisional gas tax rate; Little interest in consumer policy

MAINICHI (Page 5) (Excerpts)  
January 24, 2008

With the end of a Diet question session yesterday by heads of all political parties on Prime Minister Yasuo Fukuda's policy speech both in the Lower and Upper Houses, which lasted three days, the war of words will shift on Jan. 25 its forum to the Budget Committees of both House. Points of confrontation will include whether to abolish provisional tax rates, such as one on the gas tax. However, the prime minister has failed to show his presence, as he apparently replied to questions using texts prepared by bureaucrats. As such, deliberations on key issues, including pensions and consumer policy, lacked enthusiasm.

One of the points at issue is whether it is necessary to build more roads, even by retaining the provisional tax rate. The government late last year mapped out a 10-year road construction plan worth 59 trillion yen over 10 years. However, Japanese Communist Party (JCP) Chair Kazuo Shii criticized the plan for constructing unnecessary roads. New Komeito member Toshiko Hamayotsu also called for a full account of the plan, saying, "The people would suspect that the government has taken the view that a road construction budget must be compiled."

The prime minister stressed that constructing roads that are helpful for the independence of regional areas or settling the problem of railroad crossings that rarely open will continue to be necessary. A flurry of criticism was made by opposition party members, with Kentaro Kudo of the Democratic Party of Japan (DPJ) noting, "The 10-year plan is like a declaration prohibiting the use of special road-construction revenues for other purposes for the next decade."

20) Poll on provisional tax rates: 30 PERCENT of DPJ chapters dissatisfied with party's explanation on alternate financial resources

NIKKEI (Page 2) (Excerpts)  
January 24, 2008

The Nikkei conducted on Jan. 21-23 an opinion survey on Democratic

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Party of Japan (DPJ or Minshuto) local organizations to learn their

views on the continuation of the provisional tax rates as a financial resource for road projects and other matters. Although there was no opposition to the party's policy of abolishing the provisional tax rates, 30 PERCENT of the respondents expressed discontent with the measures to secure financial resources compiled by the party leadership with the aim of averting a drop in tax revenues for local governments. The survey exposed a difference in views between the party leadership and local chapters, with over 50 PERCENT calling for policy talks with the ruling camp and a one-third pointing to a delay in preparations for the next election.

Representatives and secretaries general of the 47 prefectural chapters were asked questions in a written form or on the telephone. Valid answers came from them all.

Seven prefectures strongly calling for road construction, such as Yamagata, Fukushima and Tochigi, withheld their views about the party's policy of abolishing the provisional tax rates. A Fukushima representative said, "A sudden decline in tax revenues would cause confusion." A Miyazaki member commented, "The government should transfer more financial resources to local regions."

Local regions are discontent with the party's measures for alternate financial resources, though they do not oppose them outright. The party leadership is considering submitting to the Diet a bill designed to make up for tax revenue shortfalls by abolishing the local burden for state projects. Despite that, eight prefectures, including Aomori, Ibaraki, and Nagano, answered that the step was insufficient, and six prefectures withheld their answers.

Behind their responses is a fact that local governments will lose revenues if the DPJ plan fails to clear the Diet. Unless the DPJ can clear the two hurdles of forcing the prime minister into dissolving the Lower House for a snap general election and realizing regime change, turbulence would result in and the party would find itself under fire.

To a question on forming a grand coalition with the LDP, 51 PERCENT said that they were against it, though the party should respond to a call for policy talks. Although no one supported the option, a Gunma representative said, "The party should consider it after the next Lower House election."

Their decisions are apparently affected by a delay in preparations for the election. Thirty prefectures, or 64 PERCENT of the total, said preparations have been made steadily, while 15 prefectures, or 32 PERCENT, pointed out a delay in preparations.

21) 19 DPJ-affiliated prefectural assemblymen attend road tax revenue maintenance rally

NIKKEI (Page 2) (Full)  
January 24, 2008

A rally seeking the maintenance of road-related tax revenues was held yesterday at the Kensei Memorial Hall near the Diet building by prefectural assemblymen and others. In the session, Upper House Democratic Party of Japan member Yasuhiro Oe, who was present as a guest along with Liberal Democratic Party Secretary General Bunmei Ibuki, made a speech in which he said, "I am terribly sorry for

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causing you trouble," and bowed deeply. This was met with applause, with someone shouting, "You should join the LDP."

The rally brought together 444 prefectural assemblymen from 44 prefectures. Included in them were 19 DPJ-affiliated members from eight prefectures, including Wakayama and Fukuoka. Oe, touching on signatures by 39 DPJ lawmakers opposing the party's policy to abolish the provisional tax rates, praised DPJ Upper House members Hideo Watanabe and Yasuo Yamashita who were also present, by referring them as the lawmakers not yielding to party pressure.

The government plan will clear the Diet and be enacted if 17 Upper House opposition party members support it. According to the

organizer, DPJ Upper House Rules and Administration Committee Chairman Takeo Nishioka had indicated that he would attend the rally, but he did not show up.

22) General election this fall, followed by political realignment, Koichi Kato predicts

MAINICHI (Page 5) (Full)  
January 24, 2008

Former Liberal Democratic Party (LDP) Secretary General Koichi Kato during a speech given at the Midland Mainichi Forum held in Nagoya on Jan. 28, hosted by Mainichi Shimbun, predicted that the Lower House would be dissolved for a snap election this fall. He then pointed to the possibility of political realignment after the election, saying: "There might be major changes in Japanese politics this fall. I have a feeling that it will be the greatest political juncture in decades."

In connection with political realignment, Kato noted: "Such a change is not possible in the current single-seat constituency system. I believe discussions are going on with the possibility of reinstating the multiple-seat constituency system." Specifically, he claimed that there is a plan to create 150 three-seat constituencies.

23) PNP leader Watanuki may form coalition with "Hiranuma New Party"

SANKEI (Page 5) (Full)  
January 24, 2008

People's New Party (PNP) leader Tamisuke Watanuki yesterday held a press conference at the Japan National Press Club. Referring in it to his party's response to the political situation after the next House of Representatives election, the PNP leader revealed that his party would aim to become the third largest force, following the ruling Liberal Democratic Party and the largest opposition Democratic Party of Japan. He stated: "I think it would be better to form a third force by making a group in which lawmakers from both ruling and opposition camps can take part. I will do my best in that direction." In a question-and-answer session, asked about his view on an alliance with a new party, something former MITI Minister Takeo Hiranuma has mentioned, Watanuki responded: "I won't rule out the possibility."

SCHIEFFER